

**Senate Bill No. 548**

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Passed the Senate September 2, 2009

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*Secretary of the Senate*

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Passed the Assembly August 27, 2009

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 999.5 of the Military and Veterans Code, relating to veterans.

## LEGISLATIVE COUNSEL'S DIGEST

SB 548, Huff. California Disabled Veteran Business Enterprise Program.

Under existing law, the Department of General Services, except in the case of contracts for professional bond services, is the administering agency of the California Disabled Veteran Business Enterprise Program, which requires state agencies and all other state entities contracting for materials, supplies, equipment, alteration, repair, or improvement to have at least 3% participation goals for disabled veteran business enterprises. Existing law specifies the duties of the Department of General Services and the Department of Veterans Affairs in meeting that requirement, and sets standards for meeting the program's participation goals, as provided.

This bill would require an awarding department, upon completion of an awarded contract for which a commitment to achieve a disabled veteran business enterprise goal was made, to require the prime contractor that entered into a subcontract with a disabled veteran business enterprise to certify to the awarding department certain information pertaining to the contract, and that all payments under the contract have been made to the disabled veteran business enterprise. This bill would also require an awarding department to keep that certification on file. This bill would specify that a person or entity that knowingly provides false information is subject to a civil penalty, as specified, and that an action for a civil penalty may be brought by any public prosecutor in the name of the people of the State of California.

The bill would authorize a prime contractor, subject to the approval of the Department of General Services, to replace a disabled veteran business enterprise identified by the prime contractor in its bid or offer, as provided, with another disabled veteran business enterprise.

*The people of the State of California do enact as follows:*

SECTION 1. Section 999.5 of the Military and Veterans Code is amended to read:

999.5. (a) The administering agency for the California Disabled Veteran Business Enterprise Program is the Department of General Services, except in the case of contracts for professional bond services. The Department of General Services shall consult with the California Disabled Veteran Business Enterprise Program Advocate, appointed by the Secretary of the Department of Veterans Affairs pursuant to Section 999.11, on all matters relating to the California Disabled Veteran Business Enterprise Program. The Director of General Services shall adopt written policies and guidelines establishing a uniform process for state contracting that would provide a disabled veteran business enterprise participation incentive to bidders. The incentive program shall be used by all state agencies when awarding contracts.

(b) The Department of Veterans Affairs shall do all of the following:

(1) Establish a method of monitoring adherence to the goals specified in Sections 999.1 and 999.2.

(2) Promote the California Disabled Veteran Business Enterprise Program to the fullest extent possible.

(3) Maintain complete records of its promotional efforts.

(4) Establish a system to track the effectiveness of its efforts to promote the California Disabled Veteran Business Enterprise Program, which shall include regular, periodic surveys of newly certified disabled veteran business enterprises to determine how they learned of the program, why they became certified, and what their experience with awarding departments has been.

(c) An awarding department shall not credit toward the department's 3-percent goal state funds expended on a contract with a disabled veteran business enterprise that does not meet and maintain the certification requirements.

(d) Upon completion of an awarded contract for which a commitment to achieve a disabled veteran business enterprise goal was made, an awarding department shall require the prime contractor that entered into a subcontract with a disabled veteran business enterprise to certify to the awarding department all of the following:

(1) The total amount the prime contractor received under the contract.

(2) The name and address of the disabled veteran business enterprise that participated in the performance of the contract.

(3) The amount each disabled veteran business enterprise received from the prime contractor.

(4) That all payments under the contract have been made to the disabled veteran business enterprise. An awarding department shall keep that certification on file. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation in the minimum amount of two thousand five hundred dollars (\$2,500) and the maximum amount of twenty-five thousand dollars (\$25,000). An action for a civil penalty under this subdivision may be brought by any public prosecutor in the name of the people of the State of California and the penalty imposed shall be enforceable as a civil judgment.

(e) A prime contractor may, subject to the approval of the Department of General Services, replace a disabled veteran business enterprise identified by the prime contractor in its bid or offer, pursuant to subdivision (a) of Section 999.10, with another disabled veteran business enterprise.

(f) The administering agency shall adopt rules and regulations, including standards for good faith efforts, for the purpose of implementing this section. Emergency regulations consistent with this section may be adopted.







Approved \_\_\_\_\_, 2009

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*Governor*